

**EXHIBIT A**  
**Allocation Procedures**

**Allocation Procedures Overview**

This Document describes the Allocation Procedures referred to in Section 6 of the Settlement Agreement. The Settlement Amount will be allocated between and among Qualifying Class Members as set forth in the Settlement Agreement and these Allocation Procedures.

The Court will appoint a Special Master and Claims Administrator pursuant to Rule 53 of the Federal Rules of Civil Procedure to oversee the allocation of the Settlement Funds. They will adhere to their duties set forth herein and in the Settlement Agreement. The Special Master will generally oversee the Claims Administrator and make any final decision(s) related to any appeals by Qualifying Class Members or BASF and any ultimate decision(s) presented by the Claims Administrator. The Claims Administrator will perform the actual modeling, allocation, and payment functions. The Claims Administrator will seek assistance from the Special Master when needed. The Claims Administrator may seek the assistance of Interim Class Counsel's consultants who provided guidance in designing the Allocation Procedures.

The Claims Administrator shall not allow for duplicate recoveries for PFAS in or entering Class Members' Public Water Systems.

A Class Member will not be allocated or receive its share of the Settlement Funds if it does not submit a timely and complete Claims Form.

Claims Forms will be available online and can be submitted to the Claims Administrator electronically or on paper. Putative Class Members can begin providing information required by the Claims Forms once an Order Granting Preliminary Approval has been issued, then finalize submission following the Effective Date. The Claims Forms will vary depending on the specific fund(s) from which compensation is sought.

Any Qualifying Class Member who has submitted information through the Claims Administrator's website pursuant to previous Public Water System ("PWS") settlements will not need to re-submit that same information. Qualifying Class Members will have the opportunity to update previously provided information to bring their submission(s) current and/or reflect new information.

**DEFINITIONS**

As used in the Settlement Agreement and this Exhibit, the following terms have the defined meanings set forth below. Unless the context requires otherwise, (a) words expressed in the plural form include the singular, and vice versa; (b) words expressed in the masculine form include the feminine and gender neutral, and vice versa; (c) the word "will" has the same meaning as the word "shall," and vice versa; (d) the word "or" is not exclusive; (e) the word "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not simply mean "if"; (f) references to any law include all rules, regulations, and sub-regulatory guidance promulgated thereunder; (g) the terms "include," "includes," and "including" are deemed to be followed by "without limitation"; and (h) references to dollars or "\$" are to United States dollars.

All capitalized terms herein shall have the same meanings set forth in the Settlement Agreement or in the additional definitions set forth below.

"Adjusted Base Score" has the meaning set forth in Paragraph II(6)(f) of these Allocation Procedures.

"Adjusted Flow Rate" has the meaning set forth in Paragraph II(6)(d) of these Allocation Procedures.

“Base Score” has the meaning set forth in Paragraph II(6)(e) of these Allocation Procedures.

“Baseline Testing” has the meaning set forth in Paragraph II(2) of these Allocation Procedures.

“Capital Costs Component” has the meaning set forth in Paragraph II(6)(e)(ii) of these Allocation Procedures.

“Litigation Bump” has the meaning set forth in Paragraph II(6)(f)(iii) of these Allocation Procedures.

“Operation and Maintenance Costs Component” has the meaning set forth in Paragraph II(6)(e)(iii) of these Allocation Procedures.

“PFAS Score” has the meaning set forth in Paragraph II(6)(c) of these Allocation Procedures.

“PFOA” means Chemical Abstracts Service registry number 45285–51–6 or 335–67–1, chemical formula C<sub>8</sub>F<sub>15</sub>CO<sub>2</sub>, perfluorooctanoate, along with its conjugate acid and any salts, isomers, or combinations thereof.

“PFOS” means Chemical Abstracts Service registry number 45298–90–6 or 1763–23–1, chemical formula C<sub>8</sub>F<sub>17</sub>SO<sub>3</sub>, perfluorooctanesulfonate, along with its conjugate acid and any salts, isomers, or combinations thereof.

“Proposed Federal PFAS MCLs” means the maximum level of a specific PFAS analyte (or a mixture containing one or more PFAS analytes) in Drinking Water that can be delivered to any user of a Public Water System without violating the rule proposed in 88 Fed. Reg. 18,638, 18,748 (Mar. 29, 2023) (proposing 40 C.F.R. § 141.61(c)(34)–(36) & n.1). If the federal PFAS MCLs are finalized before the Court issues Final Approval, the final federal PFAS MCLs will be utilized instead of the Proposed Federal PFAS MCL; otherwise, the Proposed Federal PFAS MCLs will be used.

“Public Water Provider Bellwether Bump” has the meaning set forth in Paragraph II(6)(f)(iv) of these Allocation Procedures.

“Regulatory Bump” has the meaning set forth in Paragraph II(6)(f)(ii) of these Allocation Procedures.

“Settlement Award” has the meaning set forth in Paragraph II(6)(g) of these Allocation Procedures.

“State MCL” means the Maximum Contaminant Level of a specific PFAS analyte (or a mixture containing one or more PFAS analytes) in Drinking Water that can be delivered to any user of a Public Water System without violating the law of the state where that Public Water System is located as of the Settlement Date.

## **I. Verification of Qualifying Class Members**

### **1. The Claims Administrator will verify that each entity that submitted a Claims Form is a Qualifying Class Member.**

- a. A Qualifying Class Member is an Active Public Water System in the United States that has one or more Impacted Water Sources as of May 15, 2024.

### **2. Exclusions from the Settlement Class:**

- a. Non-Transient Non-Community Water Systems serving 3,300 or fewer people,
- b. Transient Non-Community Water Systems of any size,
- c. Any Public Water System that is owned by a State government and lacks independent authority to sue and be sued,
- d. Any Public Water System that is owned by the federal government and lacks independent authority to sue and be sued,
- e. Any privately owned well that provides water only to its owner's (or its owner's tenant's) individual household and any other system for the provision of water for human consumption that is not a Public Water System.

### **3. Validation of Data**

- a. The Claims Administrator will review the information provided on a Qualifying Class Member's Claims Form(s) to ensure it is complete. Information about each Impacted Water Source listed by a Class Member shall be submitted with verified supporting documentation as specified in the Claims Form(s).
- b. The Claims Administrator will examine each Impacted Water Source's test results to confirm that all sample results are Qualifying Test Results. This examination will verify membership in the Class and will also be used for scoring purposes as outlined below.
  - i. A Qualifying Test Result means the result of a test conducted by or at the direction of a Class Member or of a federal, state, or local regulatory authority, or any test result reported or provided to the Class Member by a certified laboratory or other Person, that used any state- or federal agency-approved or validated analytical method to analyze Drinking Water or water that is to be drawn or collected into a Class Member's Public Water System.
  - ii. Qualifying Class Members may submit Qualifying Test Results from untreated (raw) or treated (finished) water samples. However, all samples must be drawn from a Water Source that is or was utilized by the Qualifying Class Member to provide Drinking Water.
- c. The Claims Administrator will confirm each Class Member's population served or number of service connections with information provided by the Class Member to the U.S. EPA or a state agency. Any conflicts in population served or service connections data will be resolved in favor of the data most-recently reported to the U.S. EPA or state agency.
- d. For each Impacted Water Source, the Claims Administrator will verify the maximum flow rate of a groundwater well or the flow rate of the water that enters the treatment plant of a surface water system. The Claims Administrator will also verify the three (3) highest annual average flow rates of the groundwater well or surface water system over a ten-year period (2014-2023). Documentation related to the flow rates of each Impacted Water Source must be verified by each Qualifying Class Member as part of the Claims Form.
- e. Any Qualifying Class Member that has previously submitted information to the Claims

Administrator in connection with another PWS Settlement will not need to submit that same information again. Where such information has been provided and is available, it will be applied to the BASF PWS Settlement in order to allow the Claims Administrator to process verification as efficiently and consistently as possible. Qualifying Class Members will have the opportunity to update information previously provided as needed.

- f. The Claims Administrator will notify Qualifying Class Members with incomplete Claims Forms of the requirements to cure deficiencies.

## II. Allocation Procedures

### 1. Verification:

The Claims Administrator will verify whether each Qualifying Class Member is a Qualifying Class Member by determining whether the Qualifying Class Member has one or more Impacted Water Sources as of May 15, 2024.

### 2. Baseline Testing

- a. Each Qualifying Class Member must test each of its Water Sources for PFAS, request from the laboratory that performs the analyses all analytical results, including the actual numeric values, and submit detailed PFAS test results to the Claims Administrator on a Claims Form by dates specified below. This process is referred to as Baseline Testing.
- b. Any Qualifying Class Member that has an Impacted Water Source based on a test conducted on or before the Settlement Date does not need to test that Water Source again for purposes of Baseline Testing.
- c. If a Water Source was tested only prior to January 1, 2019, and its test results do not show a Measurable Concentration of PFAS, that Water Source must be retested to meet Baseline Testing requirements. If a Water Source was tested on January 1, 2019, or later, and its test results do not show a Measurable Concentration of PFAS, no further testing of that Water Source is required.
- d. Baseline Testing requires the following:
  - i. PFAS tests must be conducted at a minimum for the 29 PFAS analytes for which UCMR-5 requires testing, and
  - ii. the PFAS test results must report any Measurable Concentration of PFAS, regardless of whether the level of PFAS detected in the water is above or below UCMR-5's relevant minimum reporting level.
- e. Failure to test and submit Qualifying Test Results for Water Sources will disqualify Water Sources from consideration for present and future payments.

### 3. Non-Detect Water Sources

- a. The Claims Administrator will maintain the reported Baseline Testing results that have no Measurable Concentration of PFAS submitted by Qualifying Class Members.
- b. Water Sources reporting no Qualifying Test Result showing a Measurable Concentration

of PFAS may be eligible for funding from the Supplemental Fund.

#### **4. Supplemental Fund**

- a. The Escrow Agent will transfer into the Supplemental Fund seven percent (7%) of each payment BASF has made into the Action Fund in accordance with the Settlement Agreement.
- b. The Supplemental Fund will be used to compensate the following Qualifying Class Member's Water Sources:
  - i. Water Sources that were reported in a Public Water System Settlement Claims Form to have no Qualifying Test Result showing a Measurable Concentration of PFAS and because of later PFAS testing obtain a Qualifying Test Result showing a Measurable Concentration of PFAS;
  - ii. Impacted Water Sources that do not exceed an applicable State MCL or the Proposed Federal PFAS MCLs at the time their Claims Forms are submitted and because of later PFAS testing obtain a Qualifying Test Result showing a Measurable Concentration of PFAS that exceeds the Proposed Federal PFAS MCLs or an applicable State MCL;
  - iii. Water Sources for which information was previously submitted in connection with another PWS Settlement, but whose data requires updating to account for any changes in circumstance between previous submission(s) and the Claims Period relevant to the BASF PWS Settlement.
- c. A Qualifying Class Member may submit a Supplemental Fund Claims Form to the Claims Administrator at any time up to and including December 31, 2030.
- d. The Claims Administrator will individually calculate for each Impacted Water Source that has submitted a Supplemental Fund Claims Form to approximate, as closely as is reasonably possible, the amount that each Impacted Water Source would have been allocated had it been in the Action Fund (Allocated Amount).
- e. The Claims Administrator shall issue funds from the Supplemental Fund in amounts that reflect the difference between the Impacted Water Source's Allocated Amount and what the Qualifying Class Member has already received, if anything, for the Impacted Water Source.
- f. In the event the Supplemental Fund requires additional funding, the Claims Administrator, with the approval of the Special Master, may exercise discretion to replenish the Supplemental Fund from the Action Fund.
- g. The Claims Administrator shall pay any money remaining in the Supplemental Fund as of December 31, 2033, to the Qualifying Class Members, divided among the Qualifying Class Members in the proportions as prior total payments to each Qualifying Class Member from all funds established by the Settlement Agreement.

#### **5. Special Needs Fund**

- a. The Escrow Agent will transfer into the Special Needs Fund five percent (5%) of each payment BASF has made into the Action Fund in accordance with the Settlement

Agreement.

- b. Over the last decade, Qualifying Class Members have been faced with how to deal with discovering PFAS in their Impacted Water Sources. Many have also faced state PFAS advisories and regulations. Some Qualifying Class Members or affiliated parties may have responded by taking action(s) to limit PFAS impacts to their customers and Water Sources. Without limiting the possible actions taken by Qualifying Class Members, examples include: taking wells offline, reducing flow rates, drilling new wells, pulling water from other sources, and/or purchasing supplemental water.
- c. The Special Needs Fund is intended to compensate those Qualifying Class Members that spent money to address PFAS detections in their Impacted Water Sources, including to reimburse or re-pay affiliated parties that took such actions. This is in addition to any other compensation provided by the Settlement.
- d. A Qualifying Class Member may submit to the Claims Administrator a Special Needs Fund Claims Form up to forty-five (45) calendar days after submitting its Public Water System Settlement Claims Form.
- e. After receiving all timely Special Needs Fund Claims Forms, the Claims Administrator will review such forms and determine which Qualifying Class Members shall receive additional compensation and the amount of compensation. The Claims Administrator will recommend the awards to the Special Master, who must review and ultimately approve or reject them.
- f. The Claims Administrator shall pay any money remaining in the Special Needs Fund to the Qualifying Class Members, divided among the Qualifying Class Members in the proportions as prior total payments to each Qualifying Class Member from all funds established by the Settlement Agreement after all Special Needs Claims have been reviewed and paid.

## **6. Action Fund**

- a. The deadline for Qualifying Class Members to submit a Public Water System Settlement Claims Form for all Impacted Water Sources is sixty (60) calendar days after the Effective Date. This deadline can be extended by the Claims Administrator only if a Qualifying Class Member demonstrates that it has, prior to such deadline, submitted water samples necessary to meet the requirements of Baseline Testing and is awaiting analytical results from a laboratory capable of issuing a Qualifying Test Result.
- b. The Claims Administrator will calculate payments from the Action Fund after the Escrow Agent has transferred the amounts described above for the Supplemental Fund and the Special Needs Fund. The Action Fund will be allocated to the Qualifying Class Members' Impacted Water Sources using the following allocation methodology.
- c. **PFAS Score**
  - i. For purposes of calculating each Impacted Water Source's PFAS Score, the Claims Administrator will examine the Qualifying Class Member's Public Water System Settlement Claims Form to determine the highest concentration, expressed in parts per trillion ("ppt," or nanograms per liter), that the Impacted Water Source has shown, according to one or more Qualifying Test Results, for PFOA, for PFOS, and for any other single PFAS

analyte listed on the Claims Form.

ii. The Claims Administrator will determine each Impacted Water Source’s PFAS Score by taking the **GREATER** of either:

a. the sum of the maximum levels for PFOA and for PFOS,

$$\text{PFAS Score} = [\text{PFOA (Max Level)} + \text{PFOS (Max Level)}]$$

or

b. the sum of the maximum levels of PFOA and PFOS averaged with the square root of the maximum level of any other single PFAS analyte listed on the Claims Form.

$$\text{PFAS Score} = \{[\text{PFOA (Max Level)} + \text{PFOS (Max Level)}] + \text{Other PFAS (Max level)}^{0.5}\} / 2$$

**Examples of Determining PFAS Score:**

CWS 1 owns and operates 4 water sources: Surface Water (SW) System A, Well B, Well C, and Well D. The maximum levels of each PFAS analyte for each Water Source and the PFAS Scores are listed below.

Impacted Water Source	Sum of PFOS + PFOA	Avg. of (PFOA + PFOS) & Max Other PFAS	PFAS Score	Max PFOA	Max PFOS	Max PFNA	Max PFHxS	Max PFHxA
SW System A	62	35.15	62	15	47	8.3	5	0
Well B	0.95	.475	0.95	0.95	0	0	0	0
Well C	0	0	0	0	0	0	0	0
Well D	15.2	27.6	27.6	12	3.2	0	1600	5.2

**d. Adjusted Flow Rate**

- i. Impacted Water Sources’ flow rates can be reported in the Claims Forms in either gallons per minute (gpm) or Million Gallons per Day (MGD). One thousand (1,000) gpm equals 1.44 MGD because there are one thousand four hundred forty (1,440) minutes in each day. The Claims Administrator must convert the MGD reported flow rates into gpm for all calculations.
- ii. Groundwater water sources should report flow rates from the groundwater well. Surface water sources should report the flow rate of the water that enters the treatment plant.
- iii. The Claims Administrator will determine the Adjusted Flow Rate for each Impacted Water Source by first averaging the three highest annual average flow rates that the Qualifying Class Member drew from the groundwater Impacted Water Source or that entered the surface water treatment plant. The three highest annual average flow rates can be selected from a ten-year period from 2014-2023. This average will then be averaged with the verified maximum flow rate of a groundwater Impacted Water Source or the maximum

flow rate entering a surface water Impacted Water Source.

- iv. If the Qualifying Class Member can demonstrate that an Impacted Water Source was taken off-line or reduced its flow rate as a result of PFAS contamination and additional years are needed to obtain accurate flow rates not impacted by PFAS, the Claims Administrator can consider years beyond the 2014-2023 timeframe.
- v. For purposes of the Allocation Procedures, a Public Water System's multiple intakes from one distinct surface water source are deemed to be a single Water Source so long as the intakes supply the same water treatment plant.
- vi. For purposes of the Allocation Procedures, a Public Water System's intakes from one distinct surface-water source that supply multiple water treatment plants are deemed to each be a separate Water Source.
- vii. For purposes of the Allocation Procedures, a Public Water System's multiple groundwater wells (whether from one distinct aquifer or from multiple distinct aquifers) that supply multiple water treatment plants are deemed to each be a separate Water Source.
- viii. If a water treatment plant is blending both surface water and groundwater before treatment, only one Adjusted Flow Rate is used.
- ix. In the event a Public Water System owns both groundwater wells and surface water system(s) that have separate treatment plants, they shall be deemed to each be a separate Water Source.

**e. Base Score Calculations**

- i. The Base Score will be calculated using two primary components: a proxy for capital costs and a proxy for operation and maintenance (O&M) costs. Capital costs are driven primarily by the size of the Impacted Water Source. O&M costs are driven primarily by the size of the Impacted Water Source and the concentration of PFAS.

Base Score = Capital Costs Component + Operation and Maintenance Costs Component

**ii. Capital Costs Component**

- a. U.S. EPA published a revision of its "Work Breakdown Structure-Based Cost Model for Granular Activated Carbon Drinking Water Treatment" in March 2023. This publication includes a Work Breakdown Structure (WBS) model that estimates the cost of treating PFAS contamination based on the flow rate of an Impacted Water System. A cost curve can be derived from the U.S. EPA WBS which expresses treatment costs in cost per thousand gallons produced. The below "Flow Rate Adjustment Factor" graph is the cost curve relating the treatment cost per thousand gallons as a function of overall size. This cost curve recognizes a decrease in unit cost as the flow rate for an Impacted Water Source increases. Each Impacted Water Source's Capital Costs Component of the Base Score is

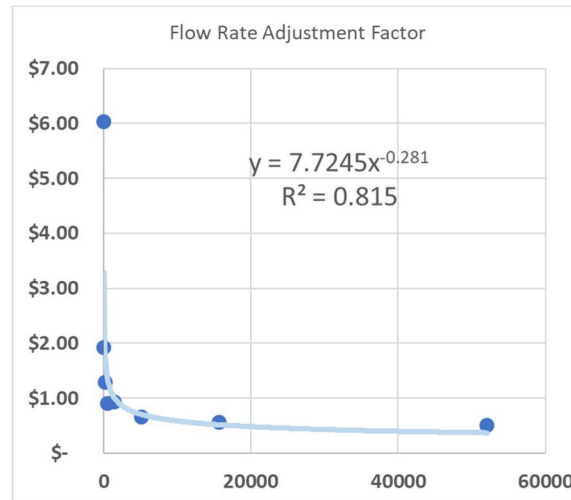


calculated off this cost curve.

$$\text{Capital Cost Component} = (\text{EPA unit cost} * \text{flow rate})$$

$$\text{Treatment cost per thousand gallons} = \frac{7.7245 * (\text{Flow Rate})^{-0.281}}$$

$$\text{Capital Cost Score} = \text{annual 1000 G units} * \text{treatment cost per thousand gallons}$$



iii. **Operation and Maintenance Costs Component**

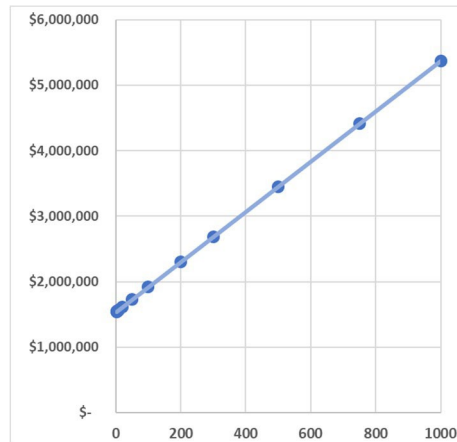
- a. The factors that affect O&M can be complex and depend on a range of factors (including but not limited to influent source quality, pH, temperature, type and concentration of PFAS influent, media used, etc.). However, the volume capacity of treatment media to remove PFAS decreases as the concentration of PFAS increases. This necessitates more frequent replacements of the treatment media, which increases the quantity of spent media that must be discarded. This increases the O&M costs of PFAS treatment.
- b. There is an observed increase in O&M costs as PFAS concentration increases. The available data suggest that as concentrations increase, O&M costs will increase in a non-linear, curved relationship as it is easier and less expensive to remove higher concentrations up to a certain level. The increase in O&M costs is thus a function of the PFAS levels and the size of the system (reflected in the Capital Cost Component). The following equation represents this relative relationship which considers that all Qualifying Class Members will require basic O&M tied to the Capital Cost Component as well as additional O&M driven by the level of PFAS concentrations.

$$\text{O\&M Cost Component} = ((\text{PFAS Modifier} * \text{PFAS Score}) * \text{Capital Cost Component}) + \text{Capital Cost Component}$$

$$\text{PFAS Modifier} = 0.005$$

- c. The result is an exponential reduction in the unit cost of PFAS removal as PFAS concentrations increase. This exponential effect is captured in part by the Allocation Procedures’ nonlinear approach to flow rates and in part by the Allocation Procedures’ use of a square-root factor for certain PFAS analytes.
- d. When the Base Score is calculated where the O&M Costs Component and Capital Costs Component are combined, a roughly three-fold difference is obtained over the regulatory threshold of 4 ppt to 1000 ppt. The results of this calculation are shown in the below example for the EPA WBS standard design system at 1494 GPM as a function of relative PFAS concentrations.

(EPA unit cost \* flow rate) + ((PFAS Modifier\*PFAS Score) \* Capital Cost Component) + Capital Cost Component



**Example of Determining Base Score**

CWS 1’s SW System A has a PFAS Score of 62 and an Adjusted Flow Rate of 1,494 gpm.

Cost per 1,000 gallon production =  $7.7245 * (1,494)^{-0.281} = .99$

Annual 1000 gallons units  $(1,494 * 60 * 24 * 365) / 1,000 = 785,246$

Capital Costs Component =  $785,246 * .99 = 777,828$

O&M Costs Component =  $((62 * .005) * 777,828) + 777,828 = 1,018,955$

Base Score =  $777,828 + 1,018,955 = 1,796,783$

**f. Adjusted Base Score**

- i. After calculating the Base Score of each Impacted Water Source, the Claims Administrator then will apply any Bumps based on certain factors defined below. This will yield the Adjusted Base Score for each Impacted Water Source.

**ii. Regulatory Bump:**

- a. An Impacted Water Source's Base Score will receive a Regulatory Bump if the Impacted Water Source:
  - i. exceeds the four (4) ppt Proposed Federal PFAS MCL for PFOS or the four (4) ppt Proposed Federal PFAS MCL for PFOA;
  - ii. exceeds the Proposed Federal PFAS MCL Hazard Index (based on 9 ppt PFHxS, 10 ppt GenX chemicals, 10 ppt PFNA, 2000 ppt PFBS – applying the Hazard Index formula set forth in 88 Fed. Reg. 18,638, 18,748 (Mar. 29, 2023) (proposing 40 C.F.R. § 141.61(c)(36) & n.1 (2023)); or
  - iii. exceeds an applicable State MCL that is below the Proposed Federal PFAS MCL for the same PFAS analyte, or exceeds an applicable State MCL for a PFAS analyte for which there is no Proposed Federal PFAS MCL.
- b. The Claims Administrator will consider all Proposed Federal PFAS MCLs and existing State MCLs for PFAS analytes existing on the date the Court issues a Final Approval to determine if an Impacted Water Source has ever exceeded any applicable standard.
- c. The Claims Administrator will adjust the Base Score for those Impacted Water Sources that are subject to the Regulatory Bump by a positive adjustment factor of 4.00.

**iii. Litigation Bump**

- a. The Litigation Bump applies to the Impacted Water Sources of any Qualifying Class Member that, as of the Settlement Date, had pending Litigation in the United States of America in which it asserts against any Released Party any Claim related to alleged actual or potential PFAS contamination of Drinking Water.
- b. No more than one Litigation Bump may apply to an Impacted Water Source.
- c. For cases on file by December 31, 2020, the Claims Administrator will adjust the Base Score for those Impacted Water Sources by a positive adjustment factor of 0.25.
- d. For cases filed in 2021, the Claims Administrator will adjust the Base Score for those Impacted Water Sources by a positive adjustment factor of 0.20.
- e. For cases filed in 2022, the Claims Administrator will adjust the Base Score for those Impacted Water Sources by a positive adjustment factor of 0.15.

- f. For cases filed in 2023, the Claims Administrator will adjust the Base Score for those Impacted Water Sources by a positive adjustment factor of 0.10.
- g. For cases filed between January 1, 2024 and the Settlement Date, the Claims Administrator will adjust the Base Score for those Impacted Water Sources by a positive adjustment factor of 0.05.

**iv. Public Water Provider Bellwether Bump**

- a. The Public Water Provider Bellwether Bump applies to any Impacted Water Source that is owned or operated by a Qualifying Class Member that served as one of the thirteen Public Water Provider Bellwether Plaintiffs listed in Exhibit J as either a Water Provider Bellwether Case and/or a Telomer Water Provider Bellwether Case.
  - b. More than one Public Water Provider Bellwether Bump can be applied to an Impacted Water Source (i.e., the Qualifying Class Members selected as Tier 2 Public Water Provider Bellwether Plaintiffs will receive all two adjustments provided below).
  - c. The Claims Administrator will adjust the Base Scores for Qualifying Class Members that were selected as one of the thirteen Tier One Water Provider Bellwether cases by a positive adjustment factor of 0.15.
  - d. The Claims Administrator will adjust the Base Scores for Qualifying Class Members that were selected as one of the three Tier Two Water Provider Bellwether cases by a positive adjustment factor of 0.20.
  - e. The Claims Administrator will adjust the Base Scores for the Qualifying Class Members that were selected as the Tier 2 Telomer Water Provider Bellwether cases by a positive adjustment factor of 0.30.
- v. For each Impacted Water Source, the Claims Administrator will sum the applicable Bump adjustments and multiply the summed adjustments by the Base Score. Then, the Claims Administrator will take this total and add it to the Base Score to determine the Adjusted Base Score.

$$\text{Adjusted Base Score} = (\text{Sum of Adjustments} * \text{Base Score}) + \text{Base Score}$$

### Example of Determining Adjusted Base Score

CWS 1's SW System A's PFAS levels exceed the Proposed Federal PFAS MCL. CWS 1 filed a lawsuit in the AFFF MDL on November 1, 2022, against BASF and it was not selected as a Public Water Provider Bellwether Plaintiff. System A will receive the following Bumps:

Regulatory Bump:	4.00
Litigation Bump:	0.15
Total Adjustment:	4.15

Adjusted Base Score = (Sum of Adjustments \* Base Score) + Base Score

$$(4.15 * 1,796,783) + 1,796,783 = \text{9,253,432.5}$$

#### g. Settlement Award

The Claims Administrator will first divide an Impacted Water Source's Adjusted Base Score by the sum of all Adjusted Base Scores. This number gives each Impacted Water Source its percentage of the Action Fund. Then, that percentage is multiplied by the Action Fund to provide the Settlement Award for each Impacted Water Source.

$$\text{Allocated Award} = (\text{Adjusted Base Score} / \text{Sum of All Adjusted Base Scores}) * (\text{Action Fund})$$

#### h. Claims Administrator Notification to Qualifying Class Members

The Claims Administrator will notify each Qualifying Class Member of the Settlement Awards for all its Impacted Water Sources. Class Counsel and BASF shall simultaneously receive copies of all such notices, as well as a report on the allocation of all amounts paid to Qualifying Class Members.

#### i. Requests for Reconsideration to the Claims Administrator

- i. After a Qualifying Class Member receives notification of its Settlement Award from the Claims Administrator, it will have ten (10) Business Days from the receipt of such notification to request that the Special Master reconsider a part of the calculation based on a mistake/error alleged to have occurred. The Qualifying Class Member has no other appellate rights.
- ii. After they receive notification from the Claims Administrator, BASF and Class Counsel shall each have ten (10) Business Days to request that the Special Master reconsider any of the calculations based on a mistake/error alleged to have occurred.
- iii. After the Special Master receives all timely requests for reconsideration, the Special Master within ten (10) Business Days shall make a decision on the request for reconsideration, and, if warranted will request that the Claims Administrator correct any mistakes/errors and run the calculations again. Except when Section 8 of the Settlement Agreement provides otherwise, any decision by the Special Master is final, binding, and non-appealable.

#### j. Payments for the Action Fund

BASF shall make an Initial Payment for the Action Fund within ten (10) Business Days after Preliminary Approval and a subsequent payment after Final Approval, as set forth in the Settlement Agreement. The total amount of all payments described in this Paragraph will be \$316,500,000. Within five (5) Business Days after wire transfer of the Settlement Amount into the Qualified Settlement Fund, the Escrow Agent shall transfer seven percent (7%) of the payment amount into the Supplemental Fund and five percent (5%) of the payment amount into the Special Needs Fund.